

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

February 9, 1999 LB 323, 682

CLERK: Mr. President, first of all, an announcement. Retirement Systems Committee will meet in Executive Session at 11:15 in Room 2022. Retirement today in Room 2022, at 11:15. In addition, Mr. President, Banking Committee reports LB 682 to General File. I have a hearing notice from Transportation and Judiciary Committees, and a Reference Report referring LR 27. That's all that I have, Mr. President. (See pages 496-497 of the Legislative Journal.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Next item.

CLERK: Mr. President, (LB) 323, a bill introduced by Senator Jensen. (Read title.) The bill was introduced on January 12 of this year, at that time referred to the Banking Committee. The bill was advanced to General File, Mr. President.

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Chair recognizes Senator Jensen to open on LB 323.

SENATOR JENSEN: Thank you, Mr. President, members of the body. LB 323 specifies when and how misrepresentations may be used to rescind long-term care policy. The policies will be placed into one of three categories, based on how long the policy has been in effect. A different standard for rescission has been assigned to each category. The longer than a policy has been in effect, the more difficult it will be to rescind the policy. The first category is for a policy that has been in effect for less than six months. The standard for rescission will be the showing of a misrepresentation that is material to the acceptance for coverage. The second category is for a policy that has been in effect for at least six months, but less than two years, and the standard for rescission for this category will be showing of a misrepresentation that is material to the acceptance for coverage and pertains to the condition for which benefits are sought. The third category is for a policy that has been in effect for two years or more, and the standard for rescission of this category will be the showing that a person who applied for the coverage under the policy knowingly and intentionally misrepresented relevant facts and a misrepresentation of facts related to the insured's health. LB 323 further provides protection for those purchasing long-term care policies by